

MEMORANDUM

TO: Audit Committee
Jon Strinden
Ron Leingang

FROM: Jamie Kinsella, Internal Auditor

DATE: September 15, 2005

SUBJECT: **February 16, 2005 Audit Committee Meeting**

In Attendance:
Jon Strinden via conference call
Ron Leingang
Jamie Kinsella
Sparb Collins
Sharon Schiermeister
Shelly Stuber

The meeting was called to order at 10:30 a.m.

I. January 12, 2005 Audit Committee Minutes

The audit committee minutes were examined and approved by the Audit Committee.

II. Internal Audit Quarterly Report

The internal audit quarterly report was changed to a different format. Included with the audit committee materials was the new format which listed all of the projects that are in active status. In addition, an updated Goals and Objectives Report that summarizes the status as of the end of the last quarter in the internal audit division was included with the audit committee materials.

III. Administrative

- A Quarterly Audit Finding Status Report – As stated in the Audit Policy #103, the Internal Audit Division is to report quarterly to management and the audit committee the status of the audit findings of the external auditors, as well as any found by the internal auditor. This report includes the recommendations made by Eide Bailly during the 2004 fiscal year end audit. Findings by Internal Audit are included after the final audit report has been issued to management that includes responses to the findings. A copy of the report was included with the audit committee materials.

- B. Audit Committee Charter Revision Project – Mr. Collins presented his view on the proposed Audit Committee Charter. Discussion followed. A revised draft will be presented in August.
- C. Conflict of Interest Policy Review – Ms. Allen has been notified of the audit committee's request for management's review of staff's outside employment and management's determination whether there is a conflict of interest. Ms. Kinsella will update the audit committee on this at the August meeting.
- D. Internal Audit Division's Annual Report for 2004 – Included with the audit committee materials was a copy of the Internal Audit Division's Annual Report for the 2004 calendar year for review and approval. If there are no changes, the final copy will be signed by Mr. Strinden and Ms. Kinsella. By general consensus the audit committee approved the Annual Report for 2004.

IV. Miscellaneous

- A. May 2005 Audit Committee Meeting Date and Time – The next audit committee meeting will be held on Wednesday, May 18, 2005 at 10:30am in the NDPERS Conference room, Wells Fargo Bank Building.
- B. Annual Meeting Between Internal Auditor and Audit Committee – The annual meeting between the internal auditor and audit committee was held after the regular audit committee meeting.

The meeting adjourned at 11:30 a.m.